



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380-0001

IN REPLY REFER TO:

CMC-RF

26 Sep 94

WHITE LETTER NO. 14-94

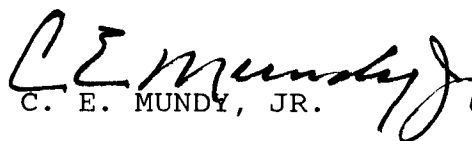
From: Commandant of the Marine Corps
To: All General Officers
All Commanding Officers
All Officers in Charge

Subj: INVALID UNLIQUIDATED OBLIGATIONS

1. A recent Naval Audit Service report identified a systemic problem involving invalid unliquidated obligations of Marine Corps funds. As commanders we are fiscally accountable and responsible to correct this problem. Unliquidated obligations represent funds set aside but not yet spent. Most **invalid** unliquidated obligations involve funds we have set aside (obligated) to purchase materials or services, but for a variety of reasons the obligations for these materials or services are no longer valid. Such invalid unliquidated obligations tie up our scarce dollars and we may eventually lose these dollars unless we take timely, ongoing corrective action.

2. Guidance on strengthening procedures was provided to the field in February 1994. The Naval Audit Service's final report indicates that invalid obligations identified by the auditors are being corrected. However, this Corps-wide problem still needs our personal attention. My two areas of concern are: (1) the need for continuing commitment on our part to performing in-depth monthly reviews of the validity of unliquidated obligations; and (2) ensuring our personnel are skilled in the proper procedures for doing these reviews. We must assign adequate personnel to do the job, give them proper training, be certain we have effective internal controls, and provide appropriate command emphasis and support.

3. The magnitude of invalid obligations reported by the auditors indicates clearly to me that our resources have not been used effectively. I strongly urge you to take an active role in guarding against the inefficient use of our scarce resources. We must insure that every dollar is spent prudently and accounted for properly.


C. E. MUNDY, JR.